

ROCKY MOUNTAIN FARMERS UNION TRI-STATE RESOLUTION

2/20/2019

WHEREAS, Rocky Mountain Farmers Union (RMFU) has a vested interest in competitive, stable and low-cost electric rates, financially and operationally sound rural electric cooperatives and generation and transmission associations; and given the regional importance of these issues, our members have a vested interest in Tri-State Generation and Transmission Association's (Tri-State) long-term success to provide energy to our members.

WHEREAS, RMFU member producers are working within a small profit margin - on average 7 percent of a producer's expenses are energy costs. Producers deserve a competitive and fair price for energy and shouldn't be at a disadvantage for being served by a rural electric cooperative.

WHEREAS, RMFU supports rural utility cooperatives and opposes their privatization. We regard the member-owned cooperative as an effective institution through which members can reduce costs of production, maintain a reliable source of inputs, and effectively market and process their products. We also believe it is the individual responsibility of each RMFU member to be a full participant and patron in the cooperative movement and build closer relationships between the farm organization and cooperatives.

WHEREAS, dramatic changes in technology and market conditions has driven the cost of renewable electric generation sources well below carbon-based resources, providing new, cost-saving opportunities for utilities across the region.

WHEREAS, renewable energy resources that build infrastructure, meets customer demands, and drives economic growth is much-needed in rural areas.

WHEREAS, RMFU is aware of a recent report from the Rocky Mountain Institute, which found that Tri-State has the potential to secure significant cost-savings for members by adjusting their current generation fuel mix to more cost-competitive sources.

WHEREAS, RMFU's members are in the same region as Tri-State, and they are aware of Colorado and New Mexico joining the U.S. Climate Alliance with goals of cutting greenhouse gas emissions by 45 percent of 2005 levels. This goal and the recent announcement by Xcel Energy to deliver 80 percent carbon-free electricity to customers in the eight states it serves by 2030, which the company believes can be achieved affordably with renewable energy and other technologies currently available, and 100 percent carbon-free electricity by 2050.

WHEREAS, RMFU is aware of actions taken by several Tri-State member cooperatives, ranging from negotiations to buy out their long-term power requirement contracts, to seeking investment opportunities in their own service territories in order to proactively assess how to maximize local economic benefits and secure competitive, transparent and sustainable rates for rural communities.

WHEREAS, unless Tri-State makes better decisions, its member cooperatives are going to be left out of clean energy developments that are sweeping the rest of the states and bringing several community's significant economic benefits. Tri-State should step back and review and re-tool its existing resource plan so it calls for investment in clean, affordable, reliable alternatives, especially efficiency programs, which are the single most cost-effective step power providers can take to satisfy growing demands.

NOW, THEREFORE, BE IT RESOLVED:

1. RMFU requests Tri-State Generation and Transmission Association (Tri-State) work expeditiously and transparently to assess the competitiveness of their current generation portfolio in comparison to current market and new generation opportunities.
2. RMFU requests that as part of the 2019 Electric Resource Plan process, Tri-State facilitates substantive opportunities for stakeholder engagement to ensure a well-informed outcome that benefits Tri-State, member cooperatives and end-use customers.
3. RMFU requests Tri-State to consider a host of alternative electric service contract arrangements that allows members to promote, without penalty, renewable resources, with the aim of reaching the most economically beneficial and sustainable outcome for Tri-State, member cooperatives, and rate payers.
4. RMFU encourages Tri-State to create optional, partial requirements contracts for their member systems to allow the members to purchase more renewable power, encourage local renewable power projects, and drive their cost of wholesale power down.
5. RMFU supports Delta-Montrose Electric Association's effort before the Colorado Public Utilities Commission to obtain a just, reasonable, and nondiscriminatory exit charge from Tri-State that does not negatively impact the other Tri-State members, and which lets Delta-Montrose pursue more cost-effective, local renewable generation.

BE IT FURTHER RESOLVED:

RMFU stands ready and willing to partner in these efforts to ensure proactive reform diversification and modernization in this quickly changing industry, in order to maximize local economic benefits and sustainable electric service for our members and ultimately keep agriculture in business.